



**AIRPORT: Orcas Island (ORS)  
ASSOCIATED CITY: Eastsound  
ARC: B-I  
REGION: Northwest**

**AIRPORT DATA AND FACILITIES**

The Orcas Island Airport is located in San Juan County, one mile north of East Sound. The Airport has 74 based aircraft, including 70 single-engine, 2 multi-engine piston-powered, 1 turboprop, and 1 helicopter. The latest available data indicate that the Airport experienced 43,343 annual operations. In 1998, 9,523 passengers were enplaned at Orcas Island Airport, classifying it as a commercial service-other airport. Orcas Island is served by West Isle Air, which provides service to Anacortes and Friday Harbor; and Kenmore Air and Harbor Air, each of which provide service to Seattle. All three carriers serve the Airport with single-engine aircraft. Additionally, Methow Aviation, FedEx, United Parcel Service, and Airborne Express provide cargo service.



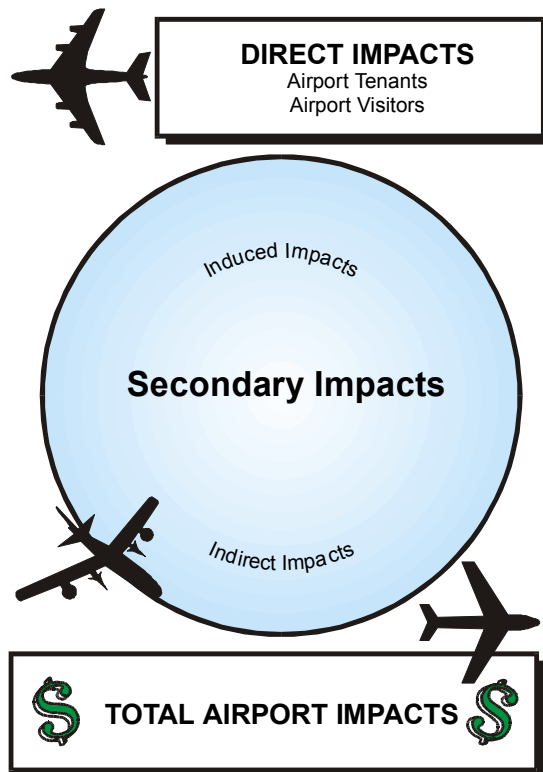
Runway 16-34 is 2,900 feet long, 60 feet wide, has an asphalt surface, and is equipped with pilot controlled medium intensity runway lights. The approaches to both runway ends are visual; however, vertical guidance is provided to Runway 16 by visual approach slope indicators and Runway 34 by precision approach path indicators.

**ECONOMIC IMPACTS**

The economic impacts of Washington's airports were calculated using a methodology, which has evolved over the past decade and is nationally recognized as the standard for conducting economic impact studies of airports. The methodology is consistent with analytical models used by the Federal Aviation Administration (FAA), and employs the use of direct survey information and an input/output model (IMPLAN) as developed by the U.S. Department of Commerce to determine multipliers specific to the state of Washington for "secondary" economic impacts.

Types of Economic Impact - This study identified and examined those aviation activities at the public use airports in Washington that created economic impacts. These impacts are generated in three ways: **1) Direct**, **2) Indirect**, and **3) Induced Effects**. Combined, the three impact types yield the total economic impacts of an airport, as described below:





## **DIRECT ECONOMIC IMPACTS**

These economic impacts occur as a consequence of providing aviation services. These impacts usually occur at the airports, and comprise the financial expenditures by firms which carry passengers (air carrier, air charter or air taxi) or cargo; firms which serve the air carrier and general aviation functions (airport tenants); governmental agencies which support aviation; ground transport firms; and others. In every instance, the impacts include only expenditures where the recipient is located within each airport's service area. Aviation-related tenants at the Airport in 2000 include Aeronautical Services. Approximately 14,900 people visited the Airport as a result of general aviation operations. The total combined direct output of on-airport tenants and general aviation and commercial service visitors was \$9,626,477. These first round expenditures were responsible for approximately 158 employees, generating wages of \$2,448,479.

## **INDIRECT ECONOMIC IMPACTS (Secondary Impact)**

These economic impacts occur as a result of the use of aviation service. They include the regional expenditures made by air passengers who visit the region (at hotels, restaurants, ski facilities, etc.); expenditures by the region's residents associated with their use of aviation; and expenditures by firms having economic activity which is dependent on the airport. These indirect impacts accounted for output of \$2,008,165, and 26 jobs with combined wages of \$661,268.

## **INDUCED ECONOMIC IMPACTS (Secondary Impacts)**

The "indirect" and "direct" impacts represent increases in regional final demand. Such increases do not represent total economic impact; there is also a "multiplier" effect. This multiplier effect comprises the local value of money as it circulates through the local economy and as individuals or firms associated with airport business buy goods and services in the local economy. Induced impacts accounted for an output of \$2,106,726, and 28 jobs with combined wages of \$682,484. Each airport's total economic impact is the sum of the three types of impacts.





## TOTAL ECONOMIC IMPACTS

The total economic impacts across the state were quantified by adding together the direct, indirect and induced impacts for each airport, and interpreting, comparing, and presenting the results.




The output of the IMPLAN model enabled the presentation of total economic impacts by airport in terms of three economic impact measures: 1) jobs (employment); 2) earnings (payroll), and; 3) economic activity (output). Each of these was determined based on individual multipliers per industry categories. In each case, total impacts include the aviation sector itself, as well as the "multiplier effect" of the aviation sector. The impacts were estimated using Year 1998 data.

All three indicators of economic impact are useful; however, the monetary measures should not be added together, as discussed below:

- **Jobs (Employment)** - The number of employees who are employed in the aviation industry, plus the aviation-oriented share of those that are employed in sectors that support the air passenger (hotels, restaurants, etc.) plus those employed in the industries included in the multiplier effect impacts. The number of jobs attributable to an industry is always greater than simply those in the industry itself, due to the "re-spending" of money. Total employment impact was approximately 214 jobs.
- **Labor Earnings (Payroll)** - The sum of the wages and salaries to all employed persons that the aviation industry pays, directly or indirectly, to deliver the output of final aviation demand. Earnings Impacts are always included in the Economic Activity totals, so they should not be summed with the Economic Activity impact. Earnings are a very conservative proxy for "value added." Earnings may be greater or less than the Direct and Use values depending on the industry type. Total earnings impact generated by Orcas Island Airport was \$3,792,231.
- **Economic Activity (Sales Output)** - The value of the aviation final demand (aviation or airport service), plus the "multiplier" effect (the sum of all of the intermediate goods and services needed to produce the aviation final demand, plus the induced impacts of increased household consumption). Total economic activity equals the sum of intermediate demands, consumption demand, government demand, investment demand, and net export demand. Economic Activity is always larger than both the Direct and Use values because it includes the multiplier effect. Total economic activity impacts from the Orcas Island Airport were estimated at \$13,738,366.





	Direct Impacts	+	Indirect Impacts	+	Induced Impacts	=	Total Impacts
<b>Jobs (Employment)</b> 	Number of Jobs Supported		Number of Jobs Supported		Number of Jobs Supported		Total Number of Jobs Supported
	158.1		26.4		28.4		213.9 *
<b>Labor Earnings (Payroll)</b> 	Annual Salary Supported		Annual Salary Supported		Annual Salary Supported		Total Annual Salary Supported
	\$2,448,479		\$661,268		\$682,484		\$3,792,231
<b>Economics (Sales Output)</b> 	Contribution to Economy (Dollars)		Contribution to Economy (Dollars)		Contribution to Economy (Dollars)		Total Contribution to Economy (Dollars)
	\$9,626,477		\$2,008,165		\$2,103,726		\$13,738,366

\* Numbers may not total due to rounding.

## SUMMARY

On an annual basis, Orcas Island Airport's tenants and its visitors in San Juan County, Washington contribute the following total annual economic benefit:

<b>Jobs (Employment)</b> 	<b>Labor Earnings (Payroll)</b> 	<b>Economic Activity (Sales Output)</b> 
<b>Total 213.9</b>	<b>Total \$3,792,231</b>	<b>Total \$13,738,366</b>

